MINUTES - REGULAR MEETING
SANTA MARIA CITY COUNCIL

CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA

FEBRUARY 18, 2014

INVOCATION:
Herbert Burch of Grace Lutheran Church gave the Invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Zuniga led the Pledge of Allegiance.

CALL TO ORDER:
Mayor Patino called the meeting to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino

STAFF MEMBERS PRESENT
City Manager Haydon, City Attorney Trujillo, Director of Community Development Appel, Deputy City Manager Lara, Police Chief Martin, Fire Chief Orr, Director of Recreation and Parks Posada, Director of Utilities Sweet, Director of Public Works/City Engineer Whitehead, Director of Administrative Services Visé, Planner III Halvorson, Planner II Zayer, and Chief Deputy City Clerk Garietz.

1. PROCLAMATIONS/PRESENTATIONS:

A. PROCLAMATION – SPAY AND NEUTER MONTH
Councilmember Boysen read a proclamation declaring the month of February 2014, as "Spay & Neuter Month" in the City of Santa Maria. The proclamation was accepted by Natalie Calderon.

B. PROCLAMATION – FUTURE FARMERS OF AMERICA WEEK
Mayor Patino read a proclamation declaring the week of February 15-22, 2014, as "Future Farmers of America Week" in the City of Santa Maria. The proclamation was accepted by Savannah Yerena.

C. VOLUNTEER OF THE MONTH
Councilmember Zuniga presented Patricia Bradley with a plaque and certificate of appreciation recognizing her as the Police Department's Volunteer of the Month.

2. PUBLIC COMMENT PERIOD
Ernest Armenta commented that the City Council should not accept political contributions from employee bargaining groups, and requested that the Police Association not endorse political candidates. He also urged them to provide outreach in the area of Lincoln Street, between Alvin and Fesler to let homeowners know that the Police are working to prevent further home break-ins.

Tara Presley thanked the City Council and the public for their support of the Unity & Community Prayer Walk. She invited people to attend the Prayer Walk event on Saturday, March 1, 2014, at 9:00 a.m. at the corner of Cook and Broadway, walking down Broadway to the Santa Maria Fairpark, followed with time to visit various community resource booths.

3. CONSENT CALENDAR:
Councilmember Zuniga requested that Item 3E be pulled for comment. Mayor Patino indicated that Director of Public Works/City Engineer Whitehead requested that Item 3G be pulled for comment.

Item 3E – Bid Award for Dena Way
Councilmember Zuniga requested an explanation of how public improvement projects were chosen.

Director of Public Works/City Engineer Whitehead responded that when the City does concrete repair, citizen safety takes first priority, followed by customer requests, and then by aesthetics. Public Works projects focus on one area at a time out of courtesy to the Contractor completing the project.

Item 3G – Eastridge Estates, Tract 5939
Director of Public Works/City Engineer Whitehead commented that language regarding boundary walls was inadvertently omitted from the agreement. He indicated that the Subdivider, Gary Grossman, was present at the meeting and was in support of the additional language.

He requested that new Section 2.j. be added to the Subdivision Improvement Agreement to read "Subdivision Boundary Walls: Faithful Performance Bond: $334,092.25 to guarantee construction or installation of boundary walls. Contractor, Labor, and Material Bond (50%); $167,046.13 to

guarantee payment to Subdivider's contractor, subcontractors, and to persons furnishing labor, materials, or equipment for the construction or installation of boundary wall improvements."

Items 3A through 3G were approved with the inclusion of new Section 2.j. language to the Subdivision Improvement Agreement in Item 3G, on motion by Councilmember Boysen, seconded by Councilmember Zuniga, and carried on the following vote: 5-0

AYES: Councilmembers Boysen, Green, Orach, Zuniga, and Mayor Patino
NOES: None
ABSENT: None
ABSTAIN: None

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of February 4, 2014, were approved as amended.

C. WARRANTS
Warrant Nos. 184220 to 184716 totaling $9,032,828.52 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 179719, 179989, 180025, 183746, and 183904 were cancelled.

D. PAYROLL
Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

E. AWARD OF BID
The City Council adopted a resolution awarding the bid for the Dena Avenue & Bay Street Concrete Improvement Project, Bid No. 2014/07, and approved a contract with Crandall Construction in the amount of $107,604.00.

Resolution No. 2014-10 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH CRANDALL CONSTRUCTION FOR BID NO. 2014/07, DENA AVENUE & BAY STREET CONCRETE IMPROVEMENT PROJECT.

F. BREEZE BUS MEMORANDUM OF UNDERSTANDING AMENDMENT #1
Resolution No. 2014-11 was adopted approving Amendment #1 to the Memorandum of Understanding (MOU), reflecting a change in liability for Breeze Route 100 between the City of Santa Maria, City of Lompoc, the County of Santa Barbara, and the Santa Barbara County Association of Governments (SBCAG).

Resolution No. 2014-11 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AMENDMENT #1 TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SANTA MARIA, CITY OF LOMPOC, THE COUNTY OF SANTA BARBARA, AND THE SANTA BARBARA COUNTY ASSOCIATION OF GOVERNMENTS.

G. EASTRIDGE ESTATES SUBDIVISION MAP & AGREEMENT
Resolution No. 2014-12 was adopted approving the subdivision map and agreement for Eastridge Estates, Tract 5939.

Resolution No. 2014-12 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUBDIVISION MAP AND AGREEMENT FOR EASTRIDGE ESTATES, TRACT 5939.

REGULAR BUSINESS:

4. DOWNTOWN SPECIFIC PLAN.
Director of Community Development Appel introduced Planners Halvorsen and Zayer who have been working with him on this project. He explained the area of the Downtown Specific Plan (DTSP) consisted of roughly 260 acres, beginning at the center of Town (Main and Broadway) and radiating

north to Fesler, south to Morrison, west to Curryer, and east to School and College (two different ending points). Before the DTSP was approved, the zoning for the entire area was C1 (Central Business District) and was in the process of being re-identified as Residential in the Downtown Plan. The DTSP was adopted by Council in 2008 and amended in 2009. The vision was to create a pedestrian friendly city center with an integrated mix of land uses. The hope was that artisans and small businesses would become established in the area flourishing within residential and bigger business areas. The plan is now five years old and has been used a few times and staff has identified issues when processing projects. Mr. Appel requested that public input be received before their presentation.

Public Input.
Business owners, Greg and Sheri Jordon, said they originally bought their car wash on Chapel, and had received permission from a City planner to build a more modern building in the future. Six years into operating the business, they decided to upgrade. Now they are unable to obtain a permit, because it is located in the Bungalow District where the improvements they would like to implement are not permitted by the DTSP. They noted they have established themselves in the community and doubled business since opening their business. The car wash is also very water efficient. Their hope is the DTSP can be revised to encompass their remodeling.

Mike Grogan, representing the Santa Maria-Bonita School District, reminded Council that when the plan was adopted, the District was concerned about being able to successfully work with a potentially larger population of students. He encouraged Councilmembers to keep in mind public-facility zoned land as the DTSP goes forward.

Ernest Armenta commented that information on the DTSP handouts were not provided in the public binder. He fully supports amendments to the DTSP in encouraging small business owners.

Planners Halvorson and Zayer gave a PowerPoint presentation providing an overview of each item listed below for amendment to the DTSP. The Planning Commission and staff recommended the following amendments:

Alcohol sales – Currently, alcohol sales are allowed in conjunction with the serving of food in a restaurant and require a Conditional Use Permit (CUP). Outside the downtown area, under the Santa Maria Municipal Code, the Zoning Administrator has the authority to approve alcohol sales with the serving of food in a restaurant with an Administrative CUP with no Planning Commission hearing. The downtown area could benefit from a less-restrictive permitting process and planners would like the Municipal Code and DTSP to be consistent with each other.

Town Center East Interior Exemption – Currently, special events held at the Town Center East, require a CUP. An exemption added to the DTSP for special events conducted wholly within the Town Center East Mall would streamline activities. The hope is that interior mall signs would no longer require the Planning Commission's approval, as well.

Minor Revisions and Plan Graphics – Minor revisions to the plan include updating plan "call out notes", outdated references to the bicycle plan, and sign requirements. Some references in the DTSP are exact duplicates of what is stated in the Municipal Code. Plan graphics include up to date references, "call-outs," and clarifications on building setback graphics and land use matrix charts. Another desired revision would be to remove plan appendices and put them on the website for easier access for the public. Staff would like to amend the reporting to the Commission and Council of activity within the Plan to semi-annually instead of monthly.

Railroad Loft District Addition – Staff would like to make 704, 708, and 712 South McClelland Street part of the DTSP area. Currently the dwellings are in a Commercial Manufacturing (CM) zone which does not allow offices. Including them in the DTSP would enable the building to hold offices and possibly expand into a café or antique store, etc.

Attached vs. Detached Structures – Currently, the DTSP Bungalow District permits the use of an attached single-family dwelling, but not a detached single-family dwelling. The Bungalow District is an area with existing residential homes with detached accessory structures that can be converted to office uses or additional units, however this restriction prevents these conversions. Larger lots with the ability to add additional detached units on-site are prevented from doing so with this restriction.

Non-Conforming Uses – The DTSP does not allow the re-establishment of non-conforming uses that have been discontinued for six months or more. Since the DTSP does not allow automotive uses, there has been difficulty filling sites previously used for automotive uses (gas stations, auto repair shops, brake repair shops, transmission repair shops, etc.) The six month time period has proven to

be problematic. The amendment would increase the re-establishment period to 12 months and allow automotive uses to re-establish after an indefinite period of time.

Office Restriction – The DTSP states that office uses are only allowed on 25 percent of the first floor street frontage of any building. This provision was designed to keep the downtown a walkable area, void of large spans of office store fronts that would deter pedestrians to keep walking. As businesses have been applying to fill buildings in the downtown area, this provision has restricted them if they are an office. Staff would like to create an office restriction area that encompasses only the core of downtown or eliminate the restriction altogether.

Convenience Stores – Staff's concern is that these stores do not reflect the pedestrian-friendly uses desired in the downtown and actually increase vehicle traffic. They are requesting a restriction limiting convenience stores size and placement in certain locations.

Relax Review Requirements – The DTSP requires Planning Commission and City Council review of projects over 5,000 sq. feet in size. The number of projects that are seen by the City Council and the added processing time for project review does not help streamline development of the area and places a hardship on the owner. Staff would like to expand the size requirement to 10,000 sq. feet in order to process smaller projects faster.

Mixed Use Requirements – No residential was allowed in the Downtown area until 2003 when the Mixed Use Ordinance allowed about 2,000 units. Currently, most Downtown Districts exclude residential. This restriction was to attract and preserve foot traffic. Mixed use is not a requirement now, but it is an option. The DTSP does allow mixed use, but prohibits residential on the first floor facing a street.

Council Discussion.
ALCOHOL SALES: Councilmember Boysen asked what the procedure was regarding Alcohol Sales in other jurisdictions. Mr. Halverson responded that he believes other communities do not require Planning Commission approval, but no research outside the Santa Maria area was done. The main concern is when a bar or cocktail establishment only serves drinks and does not serve food. Mr. Halverson said they would look into it and give the Council more information.

Councilmember Boysen commented it would be interesting to learn how other towns, such as Santa Barbara and San Luis Obispo, handle their liquor licenses.

TOWN CENTER EAST INTERIOR EXEMPTIONS: Councilmember Orach asked about Town Center West vs. Town Center East with regard to these exceptions. Community Development Director Appel responded the difference is the fact that Town Center East is completely enclosed. Town Center West does require permits to hold activities in their parking lot, but all are outdoors.

Councilmember Zuniga asked if the interior signs of Town Center East included signs around the mall or specific business signs. Planner Zayer responded all signage inside the Mall would be exempt from Planning Commission review.

Councilmember Boysen asked if the City has any legal liability inside the Mall and said he would like some time before making any decisions.

RAILROAD LOFT DISTRICT ADDITION: Councilmember Orach suggested making a museum in the area as there is a lot of history in the structures that are there.

NON-CONFORMING USES: Councilmember Boysen asked about the extension to 12 months, and staff's reasons for the recommendation. Mr. Appel responded efforts were being made to double the amount of time to allow owners to find a new renter to lease the property (under a conforming use).

OFFICE RESTRICTION: Councilmember Boysen asked how many new developments in the downtown area are more than 25% office frontage. Mr. Halverson responded most of the businesses were already established, however, the new Towbes project was a different situation that he would cover later in the evening. Councilmember Zuniga noted that there had been no development and how could the Council be sure that it was due to the specifics of the DTSP, or just recent economics. She is concerned about making a drastic change at a time when the economy was just starting to improve and development may start up again, bringing the vision of the DTSP to light.

CONVENIENCE STORE: Mayor Patino said she would not support a convenience store on the corner of Main and Broadway. Councilmember Orach pointed out there is a difference between convenience stores and small shops with no parking lot. Councilmember Zuniga stated that the Boone Street Market was making nice modifications that did not infringe on the look of the neighborhood. Councilmember Boysen stated that the Council could place restrictions on new stores on an as-needed basis.

RELAX REVIEW REQUIREMENTS: Mayor Patino stated she felt strongly against removing the restriction to go before the Planning Commission and City Council for buildings 5,000 sq. feet or more. She feels it is important to keep the restriction in place to allow Council to be actively involved in the development of the Downtown area. Councilmember Orach and Boysen were open to considering a change. Mr. Appel pointed out the time involved to evaluate projects has been increased allowing more time for review of new businesses regardless of size.

MIXED USE REQUIREMENTS: Councilmember Boysen supports the use of mixed-use projects, but believes it should be developer driven. Councilmember Zuniga emphasized the City was coming out of a recession and if the City would stick to the original plan, things may come together as the economy improves.

Mr. Appel pointed out that each item being presented had been presented to the Planning Commission and that their responses to each were listed on the Council Consideration table given to Councilmembers.

Direction to Staff

The City Council generally expressed concerns about providing direction this evening as they needed more time for review. They also agreed that the last five years have been financially challenging and they would like to take a little more time before making changes to the Plan.

Director Appel indicated that staff could bring the proposed amendments back to the City Council in one month.

Mayor Patino suggested that the City Council have a workshop with the Planning Commission to further discuss the proposed amendments. There was a general consensus of the City Council that a workshop with the Planning Commission would be helpful, and they requested it be held a couple of months from now.

5. FINANCIAL REPORT FOR THE SECOND QUARTER ENDING DECEMBER 31, 2013, AND A BUDGET AMENDMENT REPORT FOR FISCAL YEAR 2013-14. The City Council considered the quarterly financial report for the second quarter of Fiscal Year 2013-14. Director of Administrative Services Visé gave a report as detailed in the written Council Agenda Report. Nationwide, employers added 74,000 new jobs in December bringing the unemployment rate down to 6.7 percent. Economists blame an unusually cold winter for the slowdown in hiring. In December, the number of unemployed persons was 10.4 million nationwide due to many people giving up on the job search, rather than increased hiring. Locally, the unemployment rate for Santa Maria is 9.8 percent, followed by Guadalupe at 10.8 percent and Lompoc at 11.1 percent.

With 50 percent of the year complete, revenues are at 31 percent of projections while expenditures are at 43.3 percent of appropriations. The City's actual fund balance as of June 30, 2013 was $9,567,590. Since property tax in-lieu amounts are not received until late January and May of each year, revenues are less than budgeted. The first installment of this revenue will be $5.6 million. The City adopted the 2013-14 Budget using $2.5 million in one-time Local Economic Augmentation Fund (LEAF) reserves to balance the General Fund Budget.

Revenues received with the Measure U Fund through the first six months are at 24.9 percent of budget or $998,000 and expenditures are at 45.8 percent of budget. Administrative expenses are primarily due to the levee loan payment to the Solid Waste Collection Fund for $106,000 which was paid in October. Low sales tax receipts are due, in part, to two months of use tax receipts accruing back to fiscal year 2012-13.

Six major revenue sources account for approximately 68 percent of total General Fund revenues. They are: property tax; sales tax; hotel/bed tax; the non-hazardous impacted soils program; interest; and licenses/permits/fees. Property tax, permit revenue and hotel tax show the biggest increase in revenues. Property tax, this year, is $236,000 greater than last fiscal year. Hotel/bed tax is $79,000 more than last fiscal year and license, permits, and fees are $229,000 greater.

Expenditures are at 43.3 percent of budget, primarily due to vacancies and department efforts to keep operational costs at a minimum. The Police Department is under budget by 7.2 percent. Fire is over budget by 1.1 percent due to the annual internal loan payment of $653,000 made in October to the Solid

Waste Fund. This is the first of ten payments on the loan to pay off the Fire pension side-fund. The City Manager's Department is under budget due to expenditures associated with a yet to be paid contractual service with the Santa Barbara County for animal control services. Regarding Debt Service, the annual principal payment on the 2003 bonds is due on June 1, 2014, for $2,445,000. It will be the final payment from the General Fund. The remaining two years of payments will be paid from the Debt Service reserve fund.

The three enterprise funds include Water/Wastewater, the Solid Waste Fund, and Transit Funds. Revenues exceeded expenditures by $768,000 in the Water Fund. Capital expenditures include the purchase of 2,200 meters under the fixed base metering program for $159,000, water line repairs for $102,000, storm drain improvements for $99,000, and manhole rehabilitation for $88,000. Solid Waste revenues exceeded expenses by over $700,000. Expenditures included a truck washing machine for $185,000, $251,000 on the Los Flores Ranch Development Plan, $97,000 in landfill closure costs, and $113,000 in river mining expenditures. The Santa Maria Area Transit and Breeze Transit systems are funded by a combination of Federal grants, State transportation funds, and user fares. Fare revenue through the second quarter was $399,000 which is $20,000 greater than last year through December 31.

Council Discussion
Councilmember Zuniga asked for an explanation on the Fire Fighter's Pension Side-Fund. Mr. Visé explained the fund was created in 2003 because the department had less than one hundred employees. They combined pensions into a pool. Any shortcomings to the fund, created by employees not participating in the plan, added a deficit to the fund. The Side-Fund is charged an assumed rate of return at 7.5 percent annually. The City refunded that with a 3 percent loan from the Solid Waste Fund and will pay that off over a 10-year period. The remaining life cycle on the original Side Fund is 15 years which will save the City 5-years in payments.

Mayor Patino asked about transit fares and whether the City was meeting their fare box ratio. Mr. Visé said the City was usually pretty close to their expected transit budget. Mayor Patino asked if the City could increase routes in lieu of increasing fares. Director of Public Works/City Engineer Whitehead responded that every five years a short-range transit plan was prepared and researched was conducted taking into account the needs of the public and if increasing routes was needed. The next evaluation would be conducted soon.

Public Input
Ernest Armenta requested that more details be given about the green waste program. Utilities Director Sweet said he would be happy to meet with Mr. Armenta to answer his questions.

A Resolution approving the budget amendment for operational changes for the second quarter ending in December 31, 2013 was brought forth. Due to higher than anticipated workers compensation claims, staff asked for an increase in appropriations by $370,000 in the Self-Insured Workers Compensation Fund to cover the cost of workers compensation claims expenses.

Resolution No. 2014-13 was adopted approving budget amendments for 2013-14 and authorizing the City Manager to implement same on motion by Councilmember Orach, seconded by Councilmember Boysen, and carried on the following vote:

AYES:	Councilmembers Boysen, Zuniga, Green, Orach, and Mayor Patino
NOES:	None
ABSENT:	None
ABSTAIN:	None

Resolution No. 2014-13 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE 2013-14 BUDGET AND AUTHORIZING THE CITY MANAGER TO IMPLEMENT SAME.

REPORT BY CITY MANAGER:
City Manager Haydon reported on items anticipated for the March 4, 2014, City Council meeting to include a Records Retention Schedule Update, an agreement with the Santa Maria Airport District for Supplemental Law Enforcement Services, the 2014 Weed Abatement Program Public Hearing, two Contract Completions with Public Works, a summary of the 2014 City Council Goal Setting Exercise, and 2014 Technical Amendments to the Santa Maria Municipal Code.

ORAL REPORTS OF COUNCILMEMBERS AND OFFICERS (INCLUDING AB1234 REPORTS):
Councilmember Zuniga reported that she attended the Police Officers Appreciation Awards and the City Staff Goal-Setting Meeting with Council.

Councilmember Orach thanked those who wished his wife well after her surgery.

Councilmember Green reported that he attended the Chamber of Commerce Transportation Committee meeting, the Annual Police Awards Luncheon at the Elks Club, and the Goal Setting Workshop with Council.

Councilmember Boysen reported that he represented Mayor Patino at the Santa Barbara County Association of Governments (SBCG) meeting in Buellton where they were also holding their own goal-setting meeting. SBCAG would like to change the on-ramps and off-ramps on Betteravia Road prior to 2031. It was suggested that the City buy better right-of-ways before then as the price will only increase. He suggested that the funds saved from the Union Valley Parkway (UVP) and Santa Maria Bridge projects could be used toward that. SBCAG was expected to allocate funds for additional sound walls on the freeway near UVP. He also attended an emergency Central Coast Water Board meeting to give direction to staff to seek additional sources of water in South County.

Mayor Patino thanked Councilmember Boysen for presiding over the Council meeting on February 4th. She reported that she attended the Chamber of Commerce Transportation meeting, the Annual Police Awards luncheon, meetings with local farmers and residents regarding the Immigration & Customs Enforcement (ICE) facility being proposed in Santa Maria, the Goal-Setting Workshop, Women's Day at the New Hope Missionary Baptist Church, and a debriefing meeting from her Washington D.C. trip. While in Washington, she attended CADCA Conferences and met with the Economic Development Administration to discuss programs that might be useful to the City of Santa Maria. Vandenberg Air Force Base (VAFB) was a big topic of discussion. As VAFB generates $1.75 billion in annual economic activity to the region and she hopes Santa Maria will be a bigger part of that. She also had productive meetings with Federal Representatives back in Washington D.C.

ADJOURNMENT:
There being no further business to come before the City Council at this time, Mayor Patino declared the meeting of the City Council adjourned at 8:30 p.m.

APPROVED:

March 4, 2014
Date

Rhonda M. Garietz
Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

Alice M. Patino
Mayor of the City of Santa Maria

ATTEST:

Rhonda M. Garietz, CMC
Chief Deputy City Clerk